

9-097A009

Southern Pacific Transportation Company

Southern Pacific Building • One Market Plaza • San Francisco, California 94105

(415) 541-1000

CANNON Y. HARVEY
VICE PRESIDENT AND GENERAL COUNSEL

JOHN J. CORRIGAN
DOUGLAS E. STEPHENSON
ASSISTANT GENERAL COUNSELS

JOHN MACDONALD SMITH
SENIOR GENERAL ATTORNEY

ROBERT S. BOGASON
LOUIS P. WARCHOT
WILLIAM E. SAUL
DAVID W. LONG
CAROL A. HARRIS
LELANDE E. BUTLER
GARY A. LAAKSO
ROGER W. PEARSON
STEPHEN A. ROBERTS
JAMES M. EASTMAN
GENERAL ATTORNEYS
WRITER'S DIRECT DIAL NUMBER

(415) 541-1754

April 5, 1989

JONATHAN M. FIL
JOSEPH G. SULLIVAN
ASSISTANT GENERAL ATTORNEYS
DAVID B. BURNETT
ROBERT E. PATTERSON
CYNTHIA F. NEWTON
ATTORNEYS

15874-A
RECEIVED APR 7 1989

APR 7 1989 -11 20 AM

INTERSTATE COMMERCE COMMISSION

APR 7 11 15 AM '89
NOTICE OF RECEIPT UNIT

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation, pursuant to the provisions of 49 U.S.C. Section 11303(a) are five (5) fully executed counterparts each of the following secondary document, to be recorded at ICC file number 15874:

Agreement of Full Release of Security Interest in
Rolling Stock dated as of March 30, 1989 from
Security Pacific National Bank, as agent for certain
banks referred to therein.

The name and address of the party executing the enclosed document are:

Secured Party/Agent: Security Pacific National Bank
40 East 52nd Street
New York, New York 10022

The enclosed document releases a document to which the above Secured Party/Agent was a party, as well as:

Debtor/Grantor: Southern Pacific Transportation Company
Southern Pacific Building
One Market Plaza
San Francisco, California 94105

Ms. Noreta R. McGee
April 5, 1989
Page Two

The railroad rolling stock covered by the enclosed document includes all rolling stock and other property and rights created by and more particularly described in Rolling Stock Security Agreement dated as of October 13, 1988 between Southern Pacific Transportation Company, as Grantor, and Security Pacific National Bank, as Agent, for the banks referred to therein.

Also enclosed is a check in the amount of \$13 payable to the order of the Interstate Commerce Commission covering the required recordation fees.

Kindly return four (4) stamped counterparts each of the enclosed documents to the undersigned.

A short summary of the enclosed secondary document to appear in the Commission's Index is:

Full Release of security interest in rolling stock and other property and rights created by and more particularly described in Rolling Stock Security Agreement dated as of October 13, 1988 between Southern Pacific Transportation Company, as Grantor, and Security Pacific National Bank, as Agent, for the banks referred to therein.

Very truly yours,



Louis P. Warchot

Enclosures

RECORDATION NO 15874-A
FILED 1989
APR 7 1989 -11 20 AM
INTERSTATE COMMERCE COMMISSION

AGREEMENT OF
FULL RELEASE OF
SECURITY INTEREST IN ROLLING STOCK

Agreement of Full Release of Security Interest in Rolling Stock dated as of March 30, 1989 made for the benefit of Southern Pacific Transportation Company ("Grantor") by Security Pacific National Bank ("SPNB"), with an office at 40 East 52nd Street, New York, New York 10022, as agent (the "Agent") for the banks (the "Acquisition Banks") designated as such in the Acquisition Credit Agreement (as hereinafter defined), for the banks (the "Working Capital Banks") designated as such in the Working Capital Credit Agreement (as hereinafter defined) and for any Acquisition Bank as a party to any Interest Rate Agreement referred to below (the "Swap Parties").

W I T N E S S E T H

WHEREAS, SPTC Holding, Inc. ("SPTC Holding") entered into a Share Purchase Agreement dated as of December 24, 1987 among SPTC Holding, Rio Grande Holding, Inc., Santa Fe Southern Pacific Corporation and Southern Pacific Company ("SPC"), pursuant to which SPTC Holding agreed to purchase all of the outstanding capital stock of the Grantor from SPC upon the terms and conditions set forth therein (the "Acquisition"); and

WHEREAS, the Acquisition Banks and the Agent entered into a Credit Agreement dated as of October 13, 1988 (as amended, supplemented or otherwise modified from time to time, the "Acquisition Credit Agreement") with SPTC Holding for the purpose of enabling SPTC Holding to make the Acquisition; and

WHEREAS, the Working Capital Banks and the Agent entered into a Credit Agreement dated as of October 13, 1988 (as amended, supplemented or otherwise modified from time to time, the "Working Capital Credit Agreement"; the Working Capital Credit Agreement and the Acquisition Credit Agreement referred to hereinafter together as the "Credit Agreements") with SPTC Holding for the purpose of financing the working capital needs of the Grantor and its subsidiaries following the Acquisition and certain other purposes; and

WHEREAS, SPTC Holding was required by the terms of the Acquisition Credit Agreement to enter into certain secured interest rate agreements (the "Interest Rate Agreements") with one or more of the Acquisition Banks; and

WHEREAS, the Grantor executed and delivered a Guaranty dated as of October 13, 1988 to the Agent in connection with (i) the advances (the "Acquisition Advances") made by the Acquisition Banks under the Acquisition Credit Agreement, (ii) the advances (the "Working Capital Advances") made by the Working Capital Banks and amounts outstanding under the letters of credit (the "Letters of Credit") issued by SPNB under the Working Capital Credit Agreement and (iii) the obligations of SPTC Holding under the Interest Rate Agreements; and

WHEREAS, pursuant to the Credit Agreements the Grantor and the Agent entered into a Security Agreement dated as of October 13, 1988 (the "Rolling Stock Security Agreement") pursuant to which the Grantor granted, assigned, pledged and transferred to the Agent for its benefit and the ratable benefit of the Acquisition Banks and the Working Capital Banks, and subject to the provisions therein, the benefit of the Swap Parties, a security interest in certain railroad rolling stock and related property described in the Rolling Stock Security Agreement; and

WHEREAS, the Rolling Stock Security Agreement was filed with the Interstate Commerce Commission on October 12, 1988 and assigned Recordation No. 15874; and

WHEREAS, as of March 30, 1989, the principal of and interest on each of the Notes issued pursuant to each of the Credit Agreements, together with all fees payable pursuant to Section 2.3 of the Acquisition Credit Agreement and Section 2.4 of the Working Capital Credit Agreement have been paid in full, the Commitments of the Working Capital Banks under the Working Capital Credit Agreement have been terminated and there were no obligations of SPTC Holding under any Interest Rate Agreement.

NOW, THEREFORE, in consideration of the premises, the Agent hereby agrees with and for the benefit of the Grantor, on behalf of the Acquisition Banks, the Working Capital Banks and the Swap Parties, as follows:

Section 1: FULL RELEASE. Pursuant to Section 17 of the Rolling Stock Security Agreement, the Agent hereby releases and discharges from the lien and operation of the Rolling Stock Security Agreement each of the following properties and rights ("Released Collateral"):

(a) All of the railroad rolling stock described in the Rolling Stock Security Agreement, (the "Released Rolling Stock"), together with all accessories, equipment, parts and

appurtenances appertaining or attached to the Released Rolling Stock and any additions, improvements, accessions and accumulations to any and all of the Released Rolling Stock;

(b) All rights of the Grantor under any lease agreements between the Grantor and St. Louis Southwestern Railway Company ("SSW") relating to the Released Rolling Stock as the same may have been amended or otherwise modified and in effect from time to time (the "Equipment Leases"), including, without limitation, (i) all rights of the Grantor to receive all rents and other payments of every kind due or payable and to become due or payable to the Grantor under or pursuant to the Equipment Leases or otherwise due or payable and to become due or payable to the Grantor as a result of any use, possession, or occupancy of any portion or portions of the Released Rolling Stock subject to the Equipment Leases, and (ii) all rights of the Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Released Rolling Stock pursuant to Equipment Leases, (iii) all claims of the Grantor for damages arising out of or for breach or default or misrepresentations under the Equipment Leases or any documents, instruments or opinions delivered pursuant thereto, and (iv) all rights of the Grantor to compel performance and otherwise to exercise all remedies thereunder (it being understood that none of the Grantor's duties or obligations under the Equipment Leases were granted, assigned, pledged or transferred to or assumed by the Agent on behalf of the Acquisition Banks, the Working Capital Banks or the Swap Parties pursuant to the Rolling Stock Security Agreement);

(c) All instruments, documents of title, books and records of the Grantor concerning the foregoing Released Collateral, including without limitation, all manuals and all data and records and component lists and manuals relating to the Released Rolling Stock and all computer programs, print-outs and other computer materials and records pertaining to the Released Rolling Stock; and

(d) All issues, income, profits and avails from, and proceeds of, any and all of the foregoing Released Collateral, including, without limitation, (i) all rents and other payments of every kind payable as a result of any use or possession of any of the Released Rolling Stock, (ii) all payments under insurance (whether or not the Agent is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Released Collateral, and (iii) all cash, wherever located, constituting issues, income, profits and avails from, and proceeds of, any and all of the Released Collateral described in this Section 1.

SECTION 2. GOVERNING LAW. THIS AGREEMENT OF FULL RELEASE OF SECURITY INTEREST IN ROLLING STOCK SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Agent has caused this Agreement of Full Release of Security Interest in Rolling Stock to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

SECURITY PACIFIC NATIONAL BANK,
As Agent

By: Steven Rosenzweig

Title: ASSOCIATE

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On this 5th day of April in the year 1989 before me,
Kathy Soltero, a Notary Public of said State,
duly commissioned and sworn, personally appeared
Steven Rosenzweig, personally known to me to
be the person who executed the within instrument as ASSOCIATE
K.S. president or on behalf of the corporation therein and
acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and
affixed my official seal the day and year in this certificate
first above written.

[SEAL]

Kathy Soltero
Notary Public

My commission expires March 28, 1992

